# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3949
ANSWERED ON:22.08.2003
PNB TO START LIFE INSURANCE
GANGASANDRA SIDDAPPA BASAVARAJ

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government are considering a proposal of Punjab National Bank to startLife Insurance JV with US based Finance Company;

(b) if so, the details thereof;

(c) whether there is any proposal of PNB to close down its mutual fund;

(d) if so, the details thereof; and

(e) the reasons for such proposal ?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIANANDRAO V. ADSUL)

(a)&(b): Punjab National Bank (PNB) has sought approval of Reserve bank of India on aproposal to form insurance joint venture between Pension & Life Insurance Company andInsurance Broking Company with US based Principal Financial Group. The proposed share capital of companies is Rs. 110 crore and Rs. 5 crore respectively. Besides PNB, VijayaBank and M/s Berger Paints India Ltd. will be participating in the Joint Venture.

(c) to (e): PNB is considering transferring its Mutual Fund Schemes to proposedPrincipal - PNB Asset Management Company, which will be a joint venture company. Asset Management is a specialized function in terms of product design, development and under standing of the equity and debt markets and partnering with a global player will enhance skills and competitiveness.